**NEWSLETTER #156**
4th October, 2023

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# OPINIÃO

*ISEG has been educating leaders of thought and action since 1911. Today, at a time when society recognises the importance of good economic management more than ever, we are here to build solutions: ISEG - 112 years of a School of First*

## Teaching Economics: past vs. future

This editorial, together with the brief historical overview designed to substantiate its importance, were born out of a conversation with the Department of Economics' most recent lecturer, Benjamin Elsner, regarding the challenges of teaching methodology to our students – ranging from data analysis through to econometrics – given the recent evolutions, current lines of thought, and the opposing opinions in economics that resemble those of the past.

As ISEG – namely the Department of Economics – is facing and embracing change once again, it's easy to forget that, just as with any choice, each methodological approach has a history, and each approach ends up defining the future of economics in a different way.

That is why I want, firstly, to recap a little of the history of the tumultuous two-century relationship between economics, psychology, and sociology, which has, among many other things, shaped university curricula, and therefore influenced generations of students around the world, as well as their deep-rooted ways of thinking and doing business. Next, I will venture into the field of a more forward-looking matter.

The estrangement commenced with the classic teleological vision of marginal utilitarianism, rooted in a search for laws similar those of physics and in Jeremy Bentham's 18th century social theory. The choices of goal-orientated individuals were seen only to be the result of the pursuit of pleasure and the avoidance of pain, without the need to take into account moral considerations or other underlying motives.
At that time, criticism from social psychologists was already focused on the teleological assumption of self-interested rationality, while institutionalists emphasised the absence of institutional and sociological factors in economic analysis. This divide was to become even deeper with the 'Paretian turn' at the beginning of the 20th century and also the neoclassical economists of the 1930s and 1940s, as well as the expected utility theory of the 1950s, all of which proposed incorporating risk and uncertainty into the normative ideal of rational choice.

There was hope that preferences based on classifications free of psychology, and which did not require the measurement of utility itself or the assumption of self-interest, would render economics as empirically sound as physics. In effect, only the structure, and not the content really mattered. In this way, economics became even more teleological.

**Carlos J. S. Lourenço**
Professor of ISEG's Department of Economics

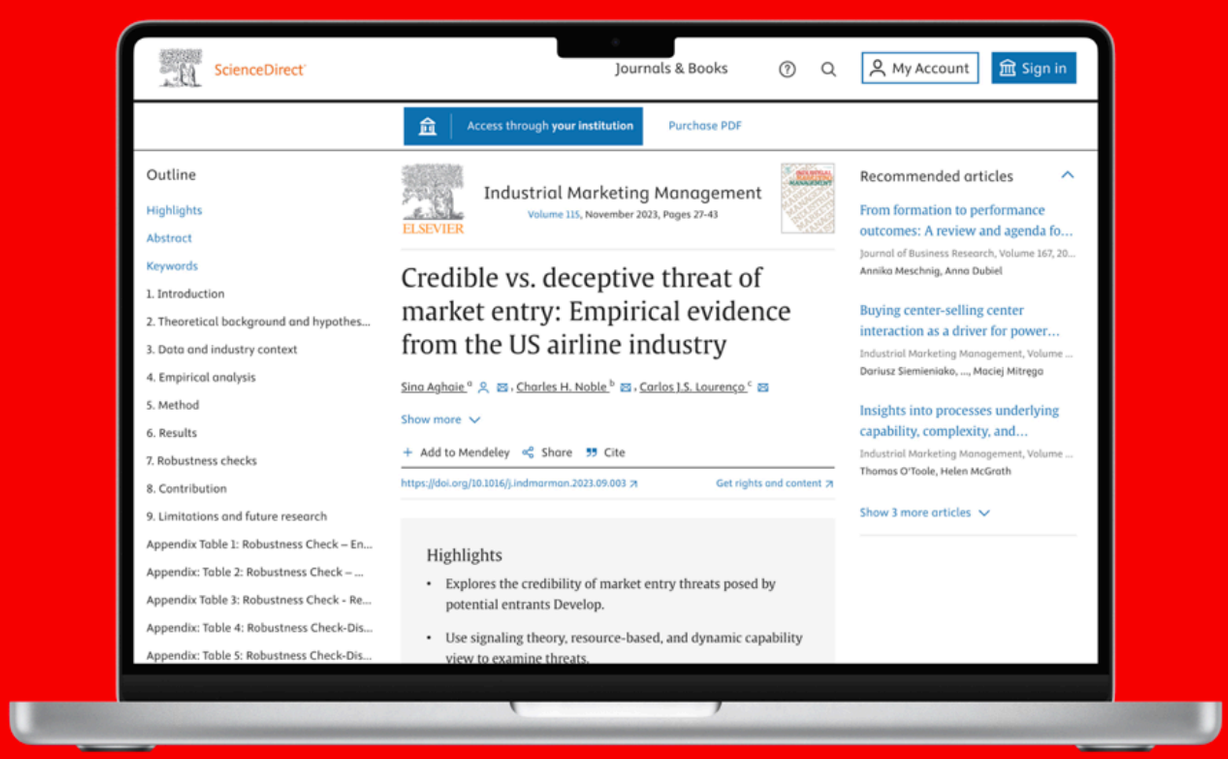
However, if our behaviour is affected by irrationalities – which doesn't necessarily mean that we are deontological – then the method of economics needs a major overhaul. For it become apparent that we behave irrationally – whether as a result of the conflict between self-interest and morality or our inability to deal adequately with uncertainty, such as when we focus on the outcomes of uncertain events rather than their probabilities, and consequently play the lottery or take out insurance against all possible outcomes.

This rethinking has probably been ongoing since 1979, when the Nobel Prize-winning psychologist Daniel Kahneman and his friend and mathematical psychologist, Amos Tversky, empirically demonstrated a set of inconsistencies (irrationalities) in the context of risk and uncertainty which do not fit the neoclassical economic theory, proposing an alternative model of reference-dependent preferences.

At this point, it appears that neoclassical 'anti-psychology' economists would gain more from collaborating with behaviourists (be they behavioural, social, orcognitive economists, or even developmental psychologists), as well as with institutionalists (i.e., sociologists, political economists or historians) in analysing the origins of preferences, rather than settling for simply searching for regularities arising from statistical and causal analysis.

Apart from ISEG, I know of no other university in Portugal where this already occurs. The current challenge is to ensure that this diversity – which certainly was and always will be the result of academic sympathies and struggles – is not only sustained, but is also strengthened.

# ISEG lecturer's paper accepted by the Industrial Marketing Management Journal



The paper entitled ‘Credible vs. deceptive and threat of market entry: Empirical evidence from the US airline industry’, co-written by ISEG professor **Carlos J. S. Lourenço**, has been accepted for publication by the Industrial Marketing Management Journal, a prestigious publication classified as an A* journal in the ABDC (Australian Business Deans Council) ranking.

This research is the result of joint work with **Charles H. Noble**, from the Haslam College of Business at the University of Tennessee, and **Sina Aghaie**, an alumna of the ISEG lecturer at the Darla Moore School of Business at the University of South Carolina, where he was previously a lecturer.

Read more about the paper **here**.

In today’s issue, we highlight the TVI/CNN Portugal interview with Prime Minister António Costa that took place at ISEG, ISEG’s International Fest October 2023, the ISEG Media Campaign, the upcoming Library Users workshops, World Investor Week 2023, the Career Services Kickoff event, and the Alumni Económicas events, including the Alumni Solidarity Gala Dinner and the Lunch-Debate Cycle, as well as the news in the Research, Students and Alumni sections.

**The following are cited in this number:** António da Ascensão Costa, Carlos Farinha Rodrigues, Francisco Louçã, João Duque, Joaquim Sarmento, Madalena Tomé, Marisa C. Gaspar, Paulo Trigo Pereira, and Ricardo Ferraz.

# The state of delayocracy: from the buffer against

## the far right to the privatisation of TAP

>> **João Duque** discusses the decision to transfer Eça de Queirós' remains to the National Pantheon.

Expresso see more ›

>> **Francisco Louçã** writes in Expresso about the "fraud of the buffer theory against the extreme right".

Expresso see more ›

>> **Francisco Louçã's** opinion – "And the housing earthquake is still in its infancy".

Expresso see more ›

>> **Marisa C. Gaspar** was consulted and quoted in Rodrigo Tavares' 'Opinion' column of Expresso.

Expresso see more ›

>> **António da Ascensão Costa** explains the reasons why companies are preparing to raise prices.

negocios.pt see more ›

>> **Joaquim Sarmento** opinion piece in ECO – "The socialists and the bankruptcy of Santa Casa".

see more ›

>> **Paulo Trigo Pereira** article in Observador on the state of democracy: "Four lessons from Madeira, Spain, and Portugal".

OBSERVADOR see more ›

>> **Madalena Tomé** makes it into Forbes Portugal's list of the 50 Most Powerful Women in Business.

Forbes see more ›

>> **João Duque** highlights the "unique opportunity" to "stop and think" of the ISEG + Columbia Strategic Leadership Program.

Executive see more ›

>> **Carlos Farinha Rodrigues** discussed the Single Social Benefit as a way of curbing poverty in Portugal.

see more ›

>> **Ricardo Ferraz** and interest rate rises: "Although the medication is the right one, we can't abuse its dose".

CNN PORTUGAL see more ›

>> **João Duque** analyses the decree-law for the re-privatisation of TAP, which will detail the conditions of the operation.

SIC NOTICIAS see more

# What's Up @ ISEG

## The Prime Minister was at ISEG a week before presenting the State Budget for 2024.

Prime Minister **António Costa** was at ISEG on the 2nd October as the interviewee for the 'Town Hall' programme, which was broadcast live on TVI and CNN Portugal from the Great Hall (Salão Nobre).

The leader of the Portuguese government was confronted with the various problems affecting the country and answered questions about housing, health, and education and other concerns that feature on the Portuguese people's daily list of worries, such as the tax burden and the increase in the national minimum wage.

During the first part, António Costa answered questions from TVI/CNN journalists Sara Pinto and Pedro Santos Guerreiro, and in the second part he answered questions from ISEG students and members of faculty, such as Professor and Dean **João Duque**, and Professor **Carlos Costa**.

The broadcast with the interview can be seen in full **on this link** and the full photographic report is available **here**.

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## ISEG International Fest October 2023

Are you a student looking to carry out an exchange programme abroad? Or are you a lucky student who has already had the opportunity to enjoy an international experience? If the answer is yes to any of these questions, then you need to pay attention to the next few lines.

ISEG and the **Students' Association (AEISEG)** are jointly organising an **international festival** which aims to not only to integrate our international students, but also to help bring them closer to other students who want to do the same. During the festival, those students who have already embarked on an exchange programme will also be able to share their experience with their peers.

In other words, this is really a win-win situation, for international students will be able to present their home country and university, while those students who are planning to carry out a study experience abroad can receive information which could be very useful for their future ambitions.

The event will feature stands per country, TED Talks, music, and many other activities.

Don't miss this opportunity and **fill in this form** by the deadline of the **8th October, 2023**.

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## ISEG Media Campaign recognised by Communication and Marketing professionals

**ISEG** won 3rd place in the "Integrated Media" category of the APPM (Portuguese Association of Marketing Professionals) **Marketing Awards**, alongside major national and multinational brands.

The 2023/24 campaign "Nobody has the numbers ISEG has" campaign has brought effective results to the School's performance, reflected in the increase in demand and quality of national and international students who choose ISEG for their studies.

“It is very gratifying to be part of this success story where the ISEG has been unequivocally recognized as a benchmark in the teaching of Economics and Management”, says Helena Laymé, ISEG’s Marketing Director.

Read the complete report **here**.

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## Upcoming Workshops for Library Users

**The Library is organising various training sessions** for its users with the objective to provide them with all the necessary skills and tools for the use of the electronic resources available to them autonomously, ethically, and effectively.

**Have a look at all the training sessions scheduled up until the end of October on the Library's website**.

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## World Investor Week 2023 | How to invest in an increasingly digital world?

As part of World Investor Week, with the support of ISEG, the CMVM will host a session on the **10th October**, from 14.30 to 15.45, designed for 1st and 2nd Cycle students on the topic of "**How to invest in an increasingly digital world?**"

This event will feature a talk by **Bárbara Barroso**, an ISEG student and founder of the Literacy and Financial Education Laboratory **Money Lab.** The talk will be followed by two panel discussions with the objective to assist students decide on how to invest and discuss investing in an increasingly digital world, where opportunities and risks coexist.

The full programme can be found at **here.**

Free admission, subject to prior registration **on this link**.

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## Career Services Kickoff!

Are you taking the first steps towards starting a career? Would you like to know how our team can help you along your academic path and in the transition to the job market?

In that case, we advise that you don't miss out on the *"***Career Services Kickoff***"* on the **10th October, at 15.00** and you'll learn all about the *Career Services* and how we can help you at such an important stage for your future.

This session will be held online and will be delivered in English. Registration can be made **here**.

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## Antena 2 Concert | Ubero-Americano Duo

On the **12th October**, ISEG will host the **Ibero-American Duo**. The duo composed of singer **Florencia Ribero** and guitarist João Vasco Ferreira will take to the stage as part of Antena 2's concert cycle, recorded live at ISEG.

The concert starts at **19.00,** in the CGD Auditorium (Quelhas, 2nd Floor).

The duo will perform songs by Frederico García Lorca, Moreno Torroba, Joaquín Rodrigo, Carlos Guastavino, Andre Santos, Zeca Afonso and Astor Piazzola.

See the programme **here**.

Free admission, subject to the capacity of the auditorium.

# Research News

## Highlights | UECE – Complexity and Economics Study Unit

## Professor António Afonso is a speaker at the European Commission Annual Research Conference, 2023

**António Afonso**, an ISEG professor and Chair of UECE – Complexity and Economics Study Unit, will be a speaker at the European Commission's annual research conference.

Find out more about the event **here**.

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## Highlights | CEsA - Centre for African Studies and Development

CENTRO DE ESTUDOS SOBRE ÁFRICA E DESENVOLVIMENTO
ISEG - Universidade de Lisboa

**CEsA and ISEG, in partnership with ACEP, and Cultures of Resistance are organising the screening of the documentary 'United for Bissau (Nô Kumpu Guiné): Agroecology and feminism in Guinea-Bissau'.**

A produtora
**Cultures of Resistance Films,**
a realizadora
**lara Lee**
e os parceiros
**ACEP, ISEG e CEsA**

convidam para a exibição do documentário
"UNIDAS POR BISSAU: NÔ KUMPU GUINÉ"
e conversa com lara Lee

**10 de Outubro, às 18h**
**ISEG - Auditório 2 (Quelhas)**

Inscreva-se

apoio:

On the **10th October**, at **18.00**, in Auditorium 2 at Quelhas, the screening for the first time in Portugal of the documentary "Unidas por Bissau (Nô Kumpu Guiné): Agroecologia e feminismo na Guiné Bissau" (United for Bissau: Agroecology and feminism in Guinea-Bissau), followed by a conversation with the director, **Iara Lee**.

The event is open to the public, subject to registration **on this link**.

The screening is organised by **CEsA** and **ISEG**, in partnership with ACEP, and Cultures of Resistance.

# Student News

## New paper by student Tiago Ricardo

Our student of Economics has discussed the reduction of motorway tolls in a new article published in the **Observador** newspaper.

"Lower motorway tolls make it possible to reduce companies' production costs, encourages them to remain open, and also facilitates a reduction in product prices".

Read the full article **here**.

# Alumni in the spotlight

## Alumni Económicas – the ISEG Students Association

## Eduardo Catroga is the first guest speaker at the Lunch-Debate Cycle

Alumni Económicas **will begin a monthly Lunch-Debate Cycle in October, at ISEG**.

The first guest will be alumnus Eduardo Catroga, who will talk to us about "Perspectives and Challenges for the European Economy and the Portuguese Economy".

The lunch will take place on the **12th October**, at **12:30**.

Registration is limited and must be carried out by the deadline of the **5th October** via the online form **here.**

Further information: aaa@iseg.ulisboa.pt

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## Commemoration of the 28th Anniversary of the Class of 1995

On the **21st October** we are going to celebrate the **28th anniversary of the Class of 1995** at ISEG, starting at 18.30.

**Registration must be completed by the 13th October**, via the online form available **here**.

Further information: aaa@iseg.ulisboa.pt

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## Alumni Solidarity Gala Dinner

This year, Alumni Económicas is organising the **Alumni Day Solidarity Gala Dinner**.

The objective of this dinner is to raise funds for the **Alumni Económicas Solidarity Programme** to ensure continuing support for those ISEG students with justified financial difficulty. Aware of the difficulties that students living away from home confront, especially with regards the cost of accommodation in Lisbon, Alumni Económicas has extended the scope of support to subsidise these expenses as well.

The dinner will take place on the **26th October**, at **19.00** at **ISEG**, in a marquee especially set up on the Páteo das Francesinhas, where the career awards for our "Alumni of the Year" will also be presented.

This will be a day of celebration between alumni, members of faculty, students, members of staff and friends of ISEG, and we hope to be able to count on your presence.

Please register by the **19th October here**.

**OPEN MINDS. GRAB THE FUTURE!**

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